



VOLUME II, ISSUE 1

EXBS QUARTERLY NEWSLETTER

JANUARY 2011

EXBS HOSTS LOCALLY EMPLOYED STAFF WORKSHOP IN ZAGREB



EXBS held its annual Locally Employed Staff (LES) Workshop in Zagreb, Croatia from November 3-5, 2010. For the first time ever, this year's event also included Foreign Service Officers posted in the 12 EXBS graduated partner countries whose portfolios include EXBS issues, along with the 37 EXBS LES Program Assistants.

The workshop presented an opportunity for ECC staff to update LESs and graduated countries participants on budgeting and financial reporting procedures and gave program assistants the chance to discuss current activities in their countries. Topics included end-use monitoring of donated equipment, current and future training initiatives and the need to improve the Leahy Vetting process for foreign delegation visits and training events.

U.S. Ambassador to Croatia, James Foley, provided welcome remarks. He emphasized the key role EXBS has played in strengthening Croatian border security capacity and the important function that LESs serve in embassy life and promoting U.S. interests.

The Office of Export Control (ECC) Director, Justin Friedman, fol-

lowed the Ambassador's remarks with a presentation on strategic trade controls, providing an overview and history of the EXBS Program and a discussion of key interagency and international partners in the field. Friedman also highlighted the role that EXBS Locally Employed Staff have played in advancing the program's objectives and liaising with host country officials.

Program assistants developed a list of best practices based on presentations that each made on a major obstacle they have faced at post and how they have resolved it. They also engaged in group problem solving exercises.

On the final day of the workshop, customs officers from the Croatian Anti-Smuggling Unit and inspectors from the State Office for Nuclear and Radiation Protection provided demonstrations on how to use a Radiation Isotope Identifier (RIID), Personal Radiation Detector (PRD) and a Survey Meter.

Friedman concluded the workshop by presenting the Raida Agayeva Award for EXBS LES of the Year to Elena Voronina, Program Assistant at U.S. Embassy Kyiv, Ukraine (pictured to the right).



EXBS NEWSLETTER

The Export Control and Related Border Security Program (EXBS) quarterly newsletter is published by the Office of Export Control Cooperation (ECC) in the Bureau of International Security and Nonproliferation at the U.S. Department of State.

The newsletter provides highlights of EXBS activities in the past quarter, introduction of new advisors, and highlights from EXBS posts in the field.

EXBS CO-SPONSORS SOUTHEAST ASIAN REGIONAL WORKSHOP ON UNSCR 1540 IMPLEMENTATION

As part of outreach to the Association of Southeast Asian Nations (ASEAN), EXBS staff attended the workshop on the Implementation of UN Security Council Resolution 1540, held in Hanoi, Vietnam, on Sept. 28 - Oct. 1, 2010. The workshop was organized by the United Nations Office of Disarmament Affairs and hosted by Vietnam.

ASEAN countries shared their experiences in monitoring ex-



ports, re-exports, transit and transshipments; examination techniques and technical detection capabilities; cooperation with industry; and risk assessment and management. Two countries spoke of effective strategic trade controls as a competitive advantage.

In addition to presenting a briefing on EXBS objectives and activities in Southeast Asia,

EXBS conducted bilateral meetings with the representatives of each ASEAN country, which will allow EXBS to better target its resources. The workshop was a significant step forward in better including Southeast Asian nations in the global network of nonproliferators.



EXBS completed 71 bilateral, regional, and international training events during the third quarter of 2010 (October to December). The newsletter provides highlights of select notable engagements.

EXBS LAUNCHES PARTNERSHIPS IN AFRICA



EXBS Africa Program, Manager, Megan Amer and embassy colleagues with Kenyan officials in Nairobi in spring 2010.

WMD trafficking has not traditionally been a high priority concern for African governments. Stimulating economic development and combating the illicit trafficking of small arms and light weapons have been considered more pressing challenges. However, as the likelihood of WMD material transiting through Africa increases, preventing WMD proliferation has become more of a priority for African governments, and working with African states has also become more of a priority for EXBS.

WMD smuggling cases in Africa have increased in recent years. Although many cases do not involve actual radioactive or nuclear material, scam cases are also harmful because they perpetuate a belief that smuggling nuclear and radioactive materials can be profitable, thereby creating a breeding ground for real WMD proliferation. Engagement in Africa is imperative to prevent proliferators and smugglers from exploiting African states.

In order to engage African nations on nonproliferation,

EXBS will work to begin to change the traditional cooperative threat reduction approach by leveraging national security assistance to meet the needs of the developing world. The key to a successful partnership between EXBS and African states will be for EXBS to demonstrate that improving strategic trade controls can assist with traditional development goals, as well as create a secure environment to prevent WMD proliferation.

A useful model for this effort is the Caribbean Community's (CARICOM) regional efforts to improve U.N. Security Council Resolution 1540 compliance. CARICOM member states witnessed the link between international security and economic prosperity after the 9/11 attacks, as they each suffered serious financial losses due to decreases in tourism. This propelled CARICOM to become more engaged in international security policy by hiring a U.N. Security Council Resolution (UNSCR) 1540 Coordinator to coordinate their compliance with 1540 obligations. UNSCR 1540, if fully implemented, can help ensure that no state or non-state actor is a source or beneficiary of WMD proliferation.

The goal of EXBS engagement with Africa will be to encourage regional African leaders to make strategic trade control development a priority and support related mentoring relationships among African states. As many African states are at similar stages of strategic trade control development, EXBS will focus on regional trainings to help build productive relationships among neighboring countries that leverage limited resources and promote multilateral progress. EXBS will also market its recently completed study that found that the implementation of strategic trade controls positively affects a nation's export growth. Strategic trade control development is also linked to high-tech development. Establishing strategic trade control systems in Africa will assist in creating an environment for investment while also assisting in countering illicit networks.

EXBS CONTRIBUTES TO INCREASED CUSTOMS ENGAGEMENT WITH TURKEY

U.S. Customs and Border Protection (CBP) Commissioner Alan Bersin met with Turkish State Minister Hayati Yazici on October 6, 2010, to discuss areas for increased cooperation between Turkey and the United States. Bersin visited Istanbul to attend the World Customs Organizations Forum, in which he participated as a keynote speaker. Yazici and Bersin agreed that Turkey and the United States share the common goal of improving security while supporting increased trade. They decided that improving cargo security and joint training for Customs officers were areas for fruitful cooperation. The U.S. and Turkey already have a robust history of cooperation through the EXBS Program and share the goal of preventing the proliferation of weapons of mass destruction and illicit trade.

This discussion was a follow-up to a meeting held in July 2010 during an EXBS International Visitors Program for senior Turkish Customs officials. The Commissioner and Director General Riza Korkmaz discussed opportunities for increased cooperation. Bersin challenged his staff and the Turkish Customs representatives to identify and prioritize opportunities for increased mutual cooperation and the benefits each could derive from this engagement. The result of this exercise formed the foundation for the discussions in Istanbul. EXBS anticipates that the increased engagement between CBP and Turkish Customs will include support for Turkish customs officer training development programs, industry partnerships, supply chain security validation, and possibly joint targeting cooperation. This increased engagement will advance improvements in the enforcement of the EXBS core nonproliferation priorities and promote safe trade between the United States and Turkey.



EXBS TRAINING LEADS TO RADIOACTIVE SEIZURE IN GEORGIA

On November 19, 2010, Georgian Ministry of Interior Affairs (MOIA) officials conducted an investigative operation that resulted the seizure of a container of radioactive substances cesium 137.

This operation was conducted by MOIA officials who attended the EXBS-sponsored Interdict/Radiation Academy Course, conducted by the U.S. Department of Energy's Pacific Northwest National Laboratories (*picture on the far right*), and also participated in the EXBS-funded Controlled Delivery training, conducted by the U.S. Immigration and Customs Enforcement in September 2010 (*first picture to the right*), as well as the EXBS-sponsored University of Georgia's Export Control Academy. The contents were identified as cesium 137 using technical equipment provided by EXBS.

The material is not estimated to be a large quantity, and is still in a sealed container having a total weight of 55 kilograms. The container was transported to the reactor for storage by the Nuclear Radia-

tion Safety Service using an EXBS-donated vehicle.

Four persons were arrested in connection with the seizure: a husband and wife were arrested for keeping and selling radioactive sources; the container was in their possession at their residence on Lermontov Street in the old part of Tbilisi. Two others who passed the container to the couple were also arrested.

Efforts are under way to track the radioactive source back to its origin. This is the tenth interception of radioactive materials in Georgia within the last eight years.



EXBS HOSTS SENIOR LEADERSHIP EXCHANGES FOR IRAQI AND LEBANESE EXPORT CONTROL OFFICIALS

A hallmark of the EXBS program is how we work to tailor our program plans to specific challenges and interests of our partners. One way we build relationships is through Senior Policy Exchanges. During this quarter, EXBS hosted two such exchanges: a Lebanese customs delegation visited Washington, D.C. on October 19-22 (*left below*) and an Iraqi inter-ministerial delegation visited on November 16-19 (*right below*).

These exchanges use discussion about the U.S. strategic trade control system as a platform to discuss our common challenges and inspire strategic thinking on how we can work together to meet them.

The exchanges included presentations from American officials on their agencies' roles, an outline of provisions essential for effective controls, and a visit to Baltimore port.

Acting Deputy Assistant Secretary of State, Ann Ganzer, gave opening remarks for both events, focusing on our cooperation with Iraq and Lebanon on international security and nonproliferation. She also discussed U.N. Security Council Resolution 1540 and the need for all countries to work on their implementation of the resolution.

During the exchanges' conclusions, EXBS staff discussed available resources to enhance Iraq's and Lebanon's enforcement capabilities and also to assist the Iraqi National Monitoring Directorate with implementation of the pending Iraqi strategic trade control legislation and control list. Lebanon also requested assistance in adopting and implementing a control list, but the primary focus was to make Lebanon a secure trading partner without impeding the flow of trade.





EXBS POST IN FOCUS: JAKARTA, INDONESIA



Narrative and images provided by U.S. Coast Guard Commander Curtis Shaw, the EXBS Advisor based in Jakarta.

"*Bhinneka Tunggal Ika*" is the official national motto of Indonesia. The phrase is Old Javanese, translated as "Unity in Diversity." It is inscribed in the Indonesian national symbol and is mentioned specifically in the Constitution of Indonesia. The phrase also applies to the EXBS Program. A diverse approach to working in Indonesia is underway.

EXBS began work with Indonesia in 2006 and initiated a full time program in late 2009. The first Advisor is Commander Curtis Shaw, on loan from the U.S. Coast Guard, and the Program Coordinator is Ms. Intan Oktora.

Engaging a Coast Guard officer for EXBS is applicable in this largely maritime country, as it has over 16,000 miles of coast line, 15,000 islands, 36,000 square miles of waters and recognizes over 2,000 ports. This makes border security a significant challenge for the government. The Straits of Malacca, and the Straits of Singapore and Lombok connect the Indian and Pacific oceans and are transited by over 50,000 ships a year, making this one of the world's busiest commercial and strategic waterways, and therefore an important country for EXBS engagement.

The Director General of Customs and Excise (DGCE) is developing numerous programs to govern Indonesia's borders better. Targeting high risk persons and cargos is one area of emphasis and one in which EXBS Indonesia is directly involved. Over the past year, members of EXBS, U.S. Customs and Border Protection (CBP) and DGCE have met five times to discuss targeting. In June 2009, the team visited CBP targeting centers for airline passengers and ocean cargo in

Reston, Virginia and sat down with some of the best minds in the targeting business at CBP headquarters in Washington, D.C. to discuss the technical details of the American targeting system, architecture and design, rules based programming and training requirements. Technical experts from DGCE gained new subject matter understanding to help develop their targeting program. In September 2010, DGCE presented EXBS and the CBP attaché with a live demonstration of their system and cited lessons learned from their trip to Washington. Next up for EXBS programming is another technical exchange with CBP in Jakarta, Indonesia for advanced targeting training and more technical consultations with the Indonesian Targeting team. There is still much work to do and EXBS will continue to explore creative ways to support DGCE in this effort.

Work with Director General Sea and Coast Guard (KPLP) is also an active element of the EXBS Indonesia program. Work on port security is a primary focus until Indonesia is compliant with the International Ship and Facility Port Security Code (ISPS). KPLP is looking to expand engagement further as it develops a newly formed Coast Guard. And finally, work with the Ministry of Foreign Affairs and the Indonesian Nuclear Regulatory Agency is underway to help the country meet its U.N. Security Council Resolution 1540 mandates to establish export control laws and regulations.

Indonesia is a country with many developments on the world stage, including a growing influence as an importer and exporter of higher production value chain goods. EXBS is positioned well to assist in this work as this emerging and important country comes on line.

The Indonesian, Malaysian, and Philippine heads of delegation at the regional International Seaport Interdiction Training in South Carolina in September 2010.



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EXBS DIRECTOR VISITS ARMENIA AND PRAISES LEGISLATIVE REFORM

Narrative and images provided by Earl Carter, EXBS Advisor to Armenia

As part of a South Caucasus regional tour, EXBS Director, Justin Friedman, visited Armenia from October 25-27, 2010, meeting with key members of the Armenian government regarding their recent revision of Armenia's munitions and dual use commodity laws and regulations.

EXBS has been providing technical assistance and training to Armenia for several years, and in the spring of 2009, a joint review of Armenia's export control legislation was proposed with the objective of further strengthening these strategic trade control laws and regulations by drawing on international best practices and UN Security Council Resolution 1540 obligations.



Justin Friedman at Armenia's largest Port of Entry, Bagratashen, on the northern border.

Legal experts from the United States visited and held meetings in Armenia in the summer and fall of 2009 and after worked with Armenian experts to support their review of existing export control legislation, and made recommendations for further improvement.

By late 2009, the first phase of the Armenian government's review and revision process was completed, which resulted in several important legal changes regarding munitions export control. These changes were designed to facilitate legal trade while making it harder for illegal trade to occur on or through Armenian territory.

Areas of particular interest were the identification of the Ministry of Defense as the licensing authority for military products, adoption of the Wassenaar Arrangement Munitions List as the military products list, and new procedures for obtaining a license for the import, export, transit or brokering of military products. Additionally, the use of end-use and end-user certificates was also highlighted in the new legislation.



Justin Friedman views Armenia's western border.

Following this focused effort on munitions export control, the Export Control Working Group began efforts to revise existing dual-use export control legislation, and by July 2010, a new law and implementing decree for dual-use commodities had been adopted. Of significance in this revision was the identification of the Ministry of Economy as the dual-use commodity licensing authority, new procedures for obtaining a license for import or export, the transfer of intangible values, and an emphasis on the need for exporting entities to have internal compliance programs. The resulting updated strategic trade control system is consistent with EU practice, with control lists based on EU lists.

Friedman commented that, as is the case for any country, legislative reform is a continuing process, particularly in an area as complex and changing as export control systems. There will always be a need for Armenia's export control system experts to be aware of changes in international export control obligations, including UN Security Council Resolutions, as well as with internal requirements, in the event further legal revisions become necessary. Good laws, like those Armenia has adopted, reward good businesses and punish the law-breakers. That's why it is so important that industry and government maintain a strong and regular dialogue to keep industry informed of their legal obligations and to ensure the government makes it as simple as possible to comply with the law, thus facilitating the smooth flow of commerce in and out of Armenia.

EXBS and other international partners, such as the EU and the UNODC, are working with Armenia's border security and enforcement agencies as they build their capacity to enforce these new laws. EXBS helps Armenian experts prepare and deliver rigorous programs of training, develop close inter-agency cooperation and establish standard interagency operating procedures to simplify border crossing for legal goods and increase the likelihood of catching criminals who violate Armenian law. Forums such as the International Export Control Conferences, co-sponsored by EXBS and the EU, are opportunities for partner country experts to meet with their international counterparts and share best practices to keep their export control systems state of the art.



NEW EXBS PROGRAM ADVISORS



Jim Kelly joined the EXBS Program in December 2010 as the EXBS Advisor to **Ukraine** and **Moldova**. He is posted in Ukraine. Mr. Kelly served as the Chief of Party for the Georgia Border Security and Law Enforcement program for U.S. Customs and Border Protection (CBP) from 2008-2010. He also served as a TDY EXBS advisor in Kazakhstan in 2006-2007. Mr. Kelly retired from CBP in 2006 after 32 years. He was a program manager in the Office of International Affairs, where he had oversight over the GBSLE program, implemented EXBS training, and performed EXBS assessments. In 1999 and 2000, Mr. Kelly worked on the Interagency Commission on Crime and Security at U.S. seaports. Many of the recommendations proved very useful in assisting U.S. law enforcement agencies with security-related responsibilities.



Bob Olson began his assignment as EXBS Advisor to **Russia** in December 2010. He previously served as the Advisor to Ukraine from 2007-2010. Mr. Olson was the Regional Manager for the State Department and World Bank Southeast European Cooperative Initiative/Trade and Transport Facilitation in Southeast Europe project based in Bulgaria. He also worked with Georgia, Ukraine, Azerbaijan, Moldova, and Uzbekistan Customs and Border Guards as they developed a Trade and Transport Facilitation strategy. Mr. Olson has worked as an independent contractor specializing in Customs matters in Eastern Europe and the Balkans on a variety of Customs related projects. Prior to his work in eastern Europe, Mr. Olson was a career U.S. Customs Officer and he retired from the U.S. Army Reserve as a Lieutenant Colonel.

EXBS ADVISOR CARI ANN BOWER RECEIVES SUPERIOR HONOR AWARD



U.S. Coast Guard Lieutenant Cari Bower, who recently completed her assignment as EXBS Advisor to Albania and maritime advisor for the Adriatic region, received a Superior Honor Award from the U.S. Embassy Tirana for her exemplary service. Bower arranged delivery of more than a dozen tailored training courses by the U.S. Coast Guard for officers from five different countries, promoted the development of an indigenous maritime training capability at the Albania Naval Training Center in Vlorë, and promoted increased Albanian interagency cooperation and the development of a true operational capability within the Inter-Ministerial Maritime Operations Center. Bower is pictured receiving her award from Office of Export Control Cooperation Director, Justin Friedman.



ABOUT EXBS

The Export Control and Related Border Security (or "EXBS") Program is the United States Government's premier initiative to help other countries develop and improve their strategic trade and related border control systems. The EXBS program takes a regional and multilateral approach, promoting harmonization of national export control systems with international standards. The program also organizes a number of regional and international fora to bring national policymakers and technical experts together to share information and establish best practices.

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